

IN THE UNITED STATES PATENT AND TRADEMARK OFFICE

In re the Reissue Application of

BILL L. DAVIS and

JESSE S. WILLIAMSON

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For Reissue of U.S. Patent 5,360,363

Issued May 20, 1997

Serial No. 08/515, 097

Group Art Unit 285

Filing Date: May 20, 1999

§ Examiner: Joshua D. Zimmerman

For: COMBINED LITHOGRAPHIC/
FLEXOGRAPHIC PRINTING
APPARATUS AND PROCESS

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DECLARATION OF JERRY WILLIAMSON
UNDER 37 C.F.R 1.131

I, Jerry Williamson, declare and state as follows:

1. I am currently, and particularly during 1994 was, the Chairman of the Board and CEO of Williamson Printing Corporation (hereinafter, "WPC"), the assignee of U.S. Patent 5,630,363 ("the '363 patent") and of this reissue application. Accordingly, I have personal knowledge of the facts attested to in this affidavit and can competently testify thereto.
2. It is the purpose of this affidavit to provide factual evidence of those activities by WPC and the inventors that were undertaken between the time period commencing at least just prior to April 4, 1994 and extending through July 1994, for the purpose of diligently reducing to practice the claimed inventions of the '363 patent. In addition to my testimony, I have attached Exhibits 1-13 to this declaration for the purpose of providing documentary support of these activities. I personally attest that these are true and correct copies of documents that were retrieved from the business records of WPC, that such documents were kept in the ordinary and regular course of business at WPC, and were made at or near the time of the acts or events

summarized therein by, or from information transmitted by, a person with knowledge. In addition, I have personal knowledge of many of those documents that indicate as having been originated or received by me. A detailed summary of these activities now follows:

3. As of, and prior to, the first of April 1994, because of the need to replace its then aging fleet of lithographic sheetfed and web presses, WPC was extensively engaged in investigating whose (i.e., manufacturer) and which type of (i.e., model) lithographic presses WPC should purchase. In addition, because WPC was unaware of any equipment then existing anywhere in the industry that could be used or purchased to implement the inventions of the '363 patent, our additional requirement was that the type of lithographic press we purchased must be able to provide the in-line flexography print station integration required by such inventions. As a consequence, and in consultation with Bill Davis and Jesse Williamson, the inventors, I personally directed such investigation.

4. For example, in March 1994, I spoke to Sam Doyle, Regional Manager of the German press manufacturer, MAN Roland, and requested MAN Roland to submit a proposal for their furnishing WPC the lithographic presses we needed. Attached as Exhibit 1 is a true and accurate copy of a memorandum that I prepared on March 16, 1994, summarizing that conversation. In response thereto, MAN Roland, through Mr. Doyle, submitted such proposal, a true and accurate copy of which is attached as Exhibit 2.

5. In addition, because I had been advised that the lithographic presses of the German press company, Heidelberger Druckmaschinen, were particularly amenable to the in-line integration required to implement the inventions of the '363 patent, I also requested a proposal from its U.S. subsidiary, Heidelberg USA. In response to this request, on April 4, 1994, Heidelberg USA sent its proposal, a true and accurate copy of which is attached hereto as Exhibit

3. As a follow-up, Heidelberg USA representatives subsequently made confidential presentations to me and other WPC personnel, including the inventors, on May 19, 1994 and June 7, 1994, respectively. Attached as Exhibits 4 and 5 are true and accurate copies of my notes of those two presentations, respectively. In order for us to better evaluate the potential of the Heidelberg presses to enable implementation of our new technology -- the technology subsequently described in our '363 patent -- Heidelberg USA furnished Jesse Williamson and me additional detailed information on June 7, 1994, a true and accurate copy of which is attached hereto as Exhibit 6.

6. While the press equipment proposed by Heidelberg seemed well suited for our needs, to make certain of our choice of presses, we continued investigating the ability of the lithographic press equipment of other press manufacturers, specifically Komori and MAN Roland, to be integrated with a flexographic print station in accordance with the '363 patent technology. As a consequence, in June 1994, the inventors, Jesse Williamson and Bill Davis, along with WPC personnel, Jimmy Meyers, Johnny Brownlee, and Bob Emerick, traveled to Chicago to test Komori and MAN Roland presses, as well as other Heidelberg presses. Attached as Exhibit 7 is a true and accurate copy of a June 20, 1994 itinerary furnished to me by Bob Emerick, outlining the trip to Chicago.

7. Upon the return of the WPC personnel from Chicago, I instructed them in a memorandum dated June 29, 1994 to immediately prepare a report of their findings and recommendations as to which manufacturer's press equipment WPC should purchase. Attached as Exhibit 8 is a true and accurate copy of my instruction memorandum. Attached as Exhibit 9 is a true and accurate copy of a memorandum from Jesse Williamson acknowledging my instructions.

8. Shortly thereafter, I received the report and recommendations that I had requested. Attached as Exhibit 10 is a true and accurate copy of this July 5, 1994 memorandum from Bob Emerick to me. In this memo, Bob transmitted to me the consensus opinion of the group that, as among the various press manufacturers, the Heidelberg presses met our technical requirements more than the other manufacturers' presses. Based upon that report, and our subsequent discussions, it was decided that WPC would purchase the Heidelberg presses. Attached as Exhibit 11 is a true and accurate copy of my letter of intent on behalf of WPC to purchase the lithographic presses from Heidelberg.

9. I, along with Jesse Williamson and Bill Davis, thereafter traveled to Germany. During such trip, we continued the negotiation of the terms and conditions of purchase of the Heidelberg lithographic presses. Attached as Exhibit 12 are true and accurate copies of correspondence setting out the agenda for our visit to the German Heidelberg plant. We concluded our negotiations with Heidelberg at the end of July, and on August 1, 1994, I executed and forwarded to Heidelberg USA the contracts to purchase five Heidelberg offset lithographic sheetfed presses. Attached as Exhibit 13 is a true and accurate copy of my transmittal letter forwarding these contracts to Heidelberg USA.

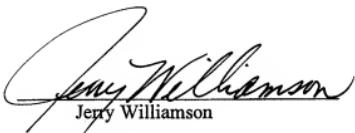
10. With the delivery of these presses, we were now ready to pursue our overall objective of implementing the in-line integration of one or more of these presses with the flexography print station in accordance with the inventions described in the '363 patent. Those activities are accurately described by Bill Davis in his 5/28/08 Supplemental Declaration, beginning with paragraph 7.

The undersigned Declarant states that all statements made herein of Declarant's own knowledge are true, and that all statements on information and belief are believed to be true,

and further that these statements were made with the knowledge that willful false statements and the like so made are punishable by fine or imprisonment, or both under Section 1001 of Title 18 of the United States Code.

Date

18/15/08



Jerry Williamson

EXHIBIT 1

CONFIDENTIAL

MEMORANDUM

To: File

From: Jerry Williamson

Date: 3-16-94

Subject: MAN Roland - Sam Doyle

I spoke to Sam Doyle today and asked him to make a proposal to us on sheetfed presses - I mentioned the following equipment:

- a. Price on 8/c 40" with tower coater;
- b. Two 6/c 40" with tower coater;
- c. One 2/c 40" with and without tower coater.

He then suggested a price on a 5/c with a perfecting attachment and I told him to go ahead and price that.

I asked him about 60" presses - he said they have a 55" and 63" - I asked him to give us prices on both 6/c with tower coater.

He said it would be next week before he could get back with us - I told him that was fine with me, as my schedule is hectic. I asked him to coordinate with Dee either next week or the following week for a time to come over and make the proposal.

Jerry Williamson

cc: Bill Davis
Woody Dixon
Jesse Williamson

P.S. When we set up this meeting, I would like for you 3 to be present. Additionally, I have a 3:30 p.m. meeting today with Neil Hamill of Graphic Equipment to give a proposal on Komori - who else do you think should be in this meeting - such as, Bob Emrick and Dan Smith.

EXHIBIT 1

EXHIBIT 2

MAN Roland Inc.
Sheetfed Press Division



March 21, 1994

MR. JERRY WILLIAMSON
CEO
WILLIAMSON PRINTING CORP.
6700 DENTON DRIVE
DALLAS, TEXAS 75235

Dear JERRY:

I have enclosed proposals to equip WILLIAMSON PRINTING CORPORATION with Sheet-Fed Presses.

I feel there is much more to consider than Sheet-Fed Presses and I would be pleased to discuss the other machinery MAN ROLAND has to offer at any time.

The 7/Color 700 we have installed locally is performing very well and this account is very pleased with this Sheet-Fed Press to the extent they have purchased an additional Press from the Sheet-Fed division of MAN ROLAND.

As I may have told you, one of my main Goals in returning to Texas was to place this all new 700 Technology in your Company. It is very important to me to see this come to pass. This isn't Pie in the Sky, it is real, it is proven and in production in all area's of the World, including less than 5 miles from your Company. The sheet-Fed Division has excellent service in Dallas, you can ask our Customers.

We have sold 7 multicolor ROLAND Sheet-Fed Presses in the last 6 months in the Dallas/Fort Worth area.

I look forward to working with you and your people.

Sincerely,

A handwritten signature in black ink, appearing to read "Sam Doyle".

Sam Doyle
REGIONAL MANAGER

EXHIBIT 2

MAN Roland Inc.
Sheetfed Press Division



***** MEMORANDUM *****

Date : March 28, 1994
To : WILLIAMSON PRINTING CORPORATION
From : Samuel B. Doyle

Subject :PRESS RECOMMENDATIONS and SCHEDULES

1. DELIVERY FROM THE FACTORY IS CONSIDERED IN THIS SCHEDULE.
2. PRICING ON TWO COLOR VERSUS 4/C PERFECTOR IS CONSIDERED.

MAN ROLAND 700 SHEET-FED OFFSET PRESS RECOMMENDATIONS

QUANTITY	NUMBER OF COLORS	COATER	PERFECTOR	DELIVERY
2	EIGHT (8/C)	YES	NO	AUGUST 1994
1	SIX (6/C)	YES	NO	JULY 1994
1	FOUR (4/C)	YES	YES	DECEMBER 1994

THESE PRESSES WOULD ALL BE EQUIPPED WITH THE SAME AUTOMATION WITH THE EXCEPTION OF THE FOUR COLOR WHICH WOULD HAVE THE PERFECTOR. THE PERFECTING CHANGE OVER IS ALSO AUTOMATED. THE LAST PROPOSALS WERE BACK IN JANUARY 1993.

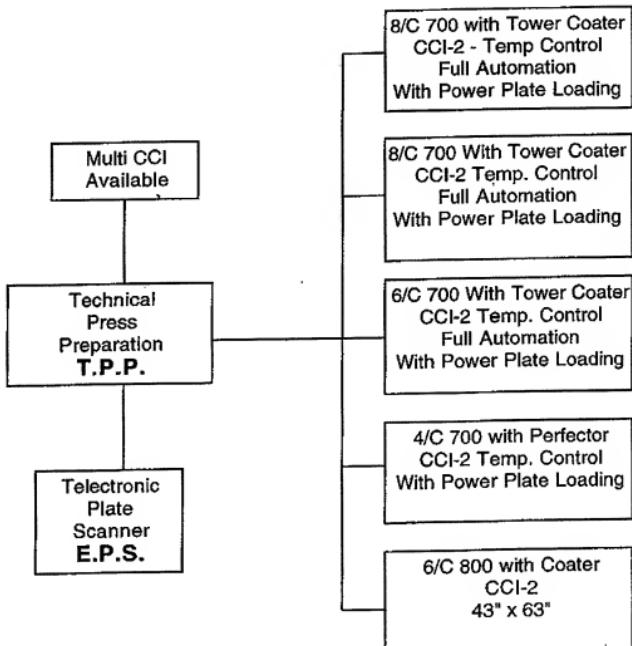
I HAVE RECOMMENDED TWO(2) EIGHT COLORS(8/C) OVER ONE AS THIS WOULD GIVE YOU MORE HORSE POWER THAN ANYONE FROM EASTCOAST TO WEST OTHER THAN MONARCH. THERE IS A VERY GOOD POSSIBILITY THAT SEVEN COLOR PROCESS WILL BECOME A PLAYER IN THE NEAR FUTURE AND AN EIGHT COLOR(8/C) PRESS WILL GIVE WILLIAMSON THE EDGE. MAN ROLAND HAS MORE EIGHT COLOR PRESS EXPERIENCE THAN ANY OTHER MANUFACTURE, AND ALL YOUR TOP SALESMEN WILL WANT THEIR JOBS ON THIS PRESS.

ONE SIX COLOR(6/C) FOR THE NORMAL ROUTINE BUSINESS AND FOR THE PRICE DIFFERENCE, A FOUR COLOR(4/C) PERFECTOR 700 OVER A TWO COLOR(2/C).



RECOMMENDATION
OF
PRESSES

Two - 8/C 700 with Tower Coaters
One - 6/C 700 with Tower Coater
One - 4/C 700 with Perfector



- I. Replace entire sheet-fed pressroom with 4 Presses.
- II. Trade in 6/C and 5/C OMSCA on 1st 8/C 700.
- III. Trade in 6/C 40" Komori on 2nd 8/C 700.
- IV. Trade in 2/C OMSCA and 6/C 40" Komori on 6/C 700.
- V. Trade in 4/C 38 Miller on 4/C 700 Perfector.
- VI. Large Format Press 6/C 800 With Coater.

Williamson Printing Corporation
Roland 700 2/C with Perfector, RQM
And Zonal Ink Temperature Control

"Normal Pricing"	"Discounted Pricing"	"Special Pricing"
<u>Print Coater, Press</u>		
\$958,630.00	\$910,668.00	\$865,134.00
<u>Roland Tower Coater with Infrared Dryer and Extensions</u>		
Not Needed	Not Needed	Not Needed
<u>Closed Loop GCI-2</u>		
Not Needed	Not Needed	Not Needed
<u>Technical Press Preparation</u>		
Not Needed	Not Needed	Not Needed
<u>Power Plate Loading</u>		
\$72,187.00	\$68,577.00	\$62,630.00
Total	Total	Total
\$1,030,817.00	\$979,245.00	\$927,764.00
Special Price Trade In		\$927,764.00
Balance Tax 3.56%		\$927,764.00 \$33,028.00
Total Price - Delivered & Installed, including Tax		\$960,792.00



**Williamson Printing Corporation
Roland 700 4/C Perfector with RQM
And Zonal Ink Temperature Control**

"Normal Pricing"	"Discounted Pricing"	"Special Pricing"
Four Color Press		
\$1,581,010.00	\$1,498,862.00	\$1,378,953.00
Roland Tower Coater with Infrared Dryer and Extensions		
Not Needed	Not Needed	Not Needed
Closed Loop Color		
\$129,270.00	\$118,928.00	\$112,981.00
Technical Press Preparation		
Not Needed	Not Needed	Not Needed
Power Plate Loading		
\$144,374.00	\$137,155.00	\$125,260.00
Total	Total	Total
\$1,854,654.00	\$1,754,945.00	\$1,617,194.00
Special Price		\$167,194.00
Trade In - 4/C 38" Miller		\$35,000.00
Balance		\$1,582,194.00
Tax 3.56%		\$56,326.00
Total Price - Delivered & Installed, including Tax		\$1,638,520.00



**Williamson Printing Corporation
Roland 700 6/C with RQM
And Zonal Ink Temperature Control**

"Normal Pricing"	"Discounted Pricing"	"Special Pricing"
Six Color Press		
\$2,087,303.00	\$1,982,937.00	\$1,883,790.00
Roland Power-Greater with Infrared Dryer and Extensions		
\$305,000.00	\$274,500.00	\$247,050.00
Closed Loop OGI-2		
\$129,270.00	\$118,928.00	\$112,981.00
Technical Press Preparation		
Not Needed	Not Needed	Not Needed
Power Plate Loading		
\$216,562.00	\$205,734.00	\$187,880.00
Total	Total	Total
\$2,775,635.00	\$2,612,599.00	\$2,431,701.00
Special Price		\$2,431,701.00
Trade In - 6/C 40" Komori		\$350,000.00
Trade In - 2/OMSCA		\$30,000.00
Balance		\$2,051,701.00
Tax 3.56%		\$73,041.00
Total Price - Delivered & Installed, including Tax		\$2,124,742.00

Williamson Printing Corporation
Roland 700 8/C [REDACTED] with RQM
And Zonal Ink Temperature Control

"Normal Pricing"	"Discounted Pricing"	"Special Pricing"
Eight Color Press		
\$2,657,740.00	\$2,513,097.00	\$2,305,742.00
Roland Tower Coater with Infrared Dryer and Extensions		
\$305,000.00	\$274,500.00	\$247,050.00
Coated Loop Unit 2		
\$129,270.00	\$118,928.00	\$112,981.00
Technical Press Preparation		
\$37,500.00	\$30,500.00	\$27,450.00
Power Plate Loading		
\$288,750.00	\$265,650.00	\$250,000.00
Total	Total	Total
\$3,418,260.00	\$3,202,675.00	\$2,943,223.00

Special Price	\$2,943,223.00
Trade In - 6/OMSCA	\$75,000.00
Trade In - 5/OMSCA	\$60,000.00

Balance	\$2,808,223.00
Tax 3.56%	\$99,973.00

Total Price - Delivered & Installed, including Tax \$2,907,996.00



**Williamson Printing Corporation
Roland 700 8/C with RQM
And Zonal Ink Temperature Control**

"Normal Pricing"	"Discounted Pricing"	"Special Pricing"
2nd Shift Color Press		
\$2,657,740.00	\$2,513,097.00	\$2,305,742.00
Roland Lower Coater with Inkjet Driver and Extensions		
\$305,000.00	\$274,500.00	\$247,050.00
Closed Loop Cell 2		
\$129,270.00	\$118,928.00	\$112,981.00
Technical Press Preparation		
Not Needed	Not Needed	Not Needed
Power Plate Loading		
\$288,750.00	\$265,650.00	\$250,000.00
Total	Total	Total
\$3,380,760.00	\$3,172,175.00	\$2,915,773.00
Special Price		\$2,915,773.00
Trade In - 6/C 40" Komori		\$350,000.00
Balance		\$2,565,773.00
Tax 3.56%		\$91,342.00
Total Price - Delivered & Installed, including Tax		\$2,657,115.00

EXHIBIT 3

HEIDELBERG
USA

Southwest Region

Heidelberg USA, Inc.
1801 Royal Lane
Suite 1012
Dallas, TX 75229
Phone 214-506-7000, Fax 214-506-0476

April 4, 1994

Williamson Printing Corporation
6700 Denton Drive
Dallas, Texas 75235

As we discussed, listed below is a proposal for one (1) New Heidelberg 28" x 40 1\8" Six color Offset Printing Press with Coating Tower and Extended Delivery, model CD 102 S + L, including the following:

1. Computer Print Control 1-03 - centrally operated, fully digitized remote control. Operating console with display for equipment operation and service diagnostics. Remote control for lateral and circumferential register. Ink zone and ductor adjustment from the operating console with light pen. Storage cassette and expanded memory.
2. CPC 4 Register Control - Automatic register by remote control of lateral, circumferential and diagonal register.
3. CP TRONIC Console provides total integration of press operating system and maintenance diagnosis.
4. Preset - Automatic setting of the feeder and delivery for sheet size and thickness.
5. Printing pressure adjustment motor-controlled via CP TRONIC controlled.
6. Grafix EXT250 HAK P8 Dryer - Shortwave dryer including two (2) air-knives and air evacuation with automatic temperature control. ~~\$79,400~~ ^{included}
7. Grafix Sprayer Exatronic Plus Powder Spry, with ionic jet. ~~\$25,100~~ ^{included}
8. 8' Extended Delivery - Including war air exhaust system and water cooling.
9. Intercom.



Heidelberg Offset Presses • Polar Cutters & Paper Handling Systems • Stahl/Baum Folders & Stitchers

EXHIBIT 3

HEIDELBERG
USA

10. Tri Service Zonal Printing Unit Temperature Control - Maintains proper temperature at each printing unit individually for waterless printing.

11. Heidelberg Autoplate including punch, chrome plated cylinders and bending unit.

12. Alcolor continuous dampening system including air bars, speed compensating, via CP TRONIC controlled, Refrigeration and Recirculation.

13. Automatic blanket wash-up device with pressurized system including a two step water and solvent wash via CP TRONIC controlled..

14. Automatic ink unit wash-up device with pressurized system via CP TRONIC controlled.

15. Automatic impression cylinder wash-up system via CP TRONIC controlled.

16. Non-stop delivery with motorized secondary pile hoist and two delivery boards.

17. Electro mechanical double sheet detector.

18. Electronic side guide detectors (2).

19. Pile carrier plates with ramps (Flush upon request only).

20. Sheet decurler (infinitely adjustable).

21. Non-stop feeder is automatic sheet arrival control, infeed gripper margin adjustment, infeed gripper height adjustment for different stock thickness via CP TRONIC controlled.

22. On press pre-loader.

23. Push button sample sheet removal at delivery panel.

24. All freight, rigging, installation and operator training.

Price \$ 2,412,000

191,400

Sincerely,
HEIDELBERG USA

\$2,603,400

Mike Morgan
Sales Representative

HEIDELBERG
USA

Southwest Region

April 4, 1994

Heidelberg USA, Inc.
1801 Royal Lane
Suite 1012
Dallas, TX 75229
Phone 214-506-7000, Fax 214-506-0476

Williamson Printing Corporation
6700 Denton Drive
Dallas, Texas 75235

One (1) New Heidelberg Spectrophotometric Quality Control Unit,
Spectral Color Measuring and Control for multiple presses complete with
all standard equipment, Model CPC 2S.

Price \$ 171,500

One (1) New Heidelberg Plate Image-Scanner, pre-setting of ink fountain
for multiple presses, Model CPC 3-01.

Price \$ 79,800



Heidelberg Offset Presses • Polar Cutters & Paper Handling Systems • Stahl/Baum Folders & Stitchers

EXHIBIT 4

5/19/94 Heidelberg (H) (J) Wrody D. / (J) W
JW / BOB ED Bill B. / (J) W

Bob Boyer - H. - reg. mgr.

John Downey - H. - mktg. Dir. / ^{coordinator}
_{presses}

Mike Morgan - Sales rep.

Set in
size

~~Buy~~
Get copy of
for

EXHIBIT 5

6/7/94 Heidelberg

Drupa
Plans

WHO

W. Holloman

Drupa - May 1995

New C.D. - intro. - 15A/hr.

rated now @ 13A/hr.

C.D. Speedmaster - double size drum
Classic ✓ - single ✓ ✓

* GTO DI (Scindia Options)

→ Upgrade w/ new Tech

Inst. of continuing followup, etc.

GW → Parts - purpose of complaint -

18 mo full second warranty
Normal - 6 min. - labor
12 ✓ parts

U.V. danger -
Inter globe

Triple Coated - 6k - not on 8k

EXHIBIT 6

HEIDELBERG USA

Office of the President

Mr. Jerry Williamson, Chairman of the Board
Mr. Jesse Williamson, President
Williamson Printing Corporation
6700 Denton Drive
Dallas, Texas 75235

Heidelberg USA, Inc.
90-30 Metropolitan Avenue
Rego Park, NY 11374
Phone 718-830-7802, Fax 718-275-8663

June 7, 1994

Dear Jerry and Jesse,

We have always held Williamson Printing Corporation in high esteem and recognize you as a pioneer in new printing technologies such as WIMS and inGrain processing. Your contribution to our industry is well known and it is indeed an honor for me to serve with Jerry on the Boards of PIA and GATF.

Family companies at their best can achieve tremendous successes. You are one of those, well known and well respected for top quality printing and certainly one of the top award winning printers in our country.

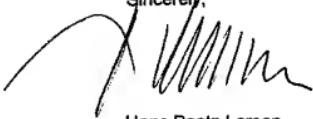
Below I quote our Mission Statement, which reads.

" Heidelberg USA is totally committed to be the partner of choice to the U.S. Printing Industry. We are determined to set standards as the leader in technology and quality of equipment. Each and every employee of Heidelberg USA is dedicated to provide excellent customer service and support."

We feel we have many things in common with you and it has been one of our key goals to earn your trust and to become a business partner of yours.

Thank you very much for your courtesy to my colleagues during prior visits to your company. I now look forward very much to visit with you on Tuesday, June 7th, and hope that we will find common ground so that we can become business partners for the mutual benefit of Williamson Printing Corporation and the Heidelberg Group.

Sincerely,



Hans Peetz-Larsen
President

HP-L/rmp



Heidelberg Offset Presses • Polar Cutters & Paper Handling Systems • Stahl/Baum Folders & Stitchers

EXHIBIT 6

HEIDELBERG
USA
PARTNERS IN TECHNOLOGY

- I. Periodic communication with Heidelberg Factory Engineers for input about current and proposed engineering changes and improvements.
- II. In order to experience continued improvement in technology, good communication must take place between the "Front Line" and the factory.
 - A. Information and suggestions received from Williamson Printing Corporation can be valuable to Heidelberg USA in addressing future needs of our Business Partners.
 - B. Correspondingly, Williamson Printing Corporation will be appraised of new developments. This sharing of information and ideas will strengthen our partnership.
- III. DRUPA Technology - May 1995
 - A. Two delegates of Williamson Printing Corporation will be invited by Heidelberg USA as guests to attend DRUPA - May, 1995 in Dusseldorf, Germany.
 - B. Should the technology that is introduced at DRUPA by Heidelberg warrant a decision by WPC to replace currently installed presses, Heidelberg USA will guarantee, for a period of twelve (12) months from the delivery of the original press, an eighty-five (85%) percent buy back agreement toward the purchase of a replacement Heidelberg press. For a period of twenty-four (24) months from the delivery of the original press, a seventy (70%) buy back agreement toward the purchase of a replacement Heidelberg press.

PARTNERS IN MARKETING

Heidelberg USA desires to share with Williamson Printing Corporation some effective ways that these new areas of technology are being presented to the marketplace and the impact that they bring.

- I. Heidelberg National Advertising -
 - * Featuring Williamson Printing Corporation National Recognition as an Innovative Leader in our Industry.
- II. Technical/Marketing training seminars for Sales Team, CSR Team and Production Team on new technologies:
 - A. Waterless Printing
 - B. Coating
 - C. Automation Benefits
 - D. Spectrophotometry
 - E. CP-Tronics
 - F. CP-Data

HEIDELBERG
USA

PARTNERS IN FINANCING

- I. Heidelberg USA Financial Services - Williamson Printing Corporation is supported by Heidelberg USA's Financial Services. A dedicated staff has been organized to respond to the current and future financing needs of Williamson Printing Corporation.
- II. Heidelberg USA has established long-standing relationships with national leaders such as CIT and Metlife. These relationships have enabled Heidelberg USA to address the needs in the area of finance specific to Williamson Printing Corporation.

HEIDELBERG
USA

EQUIPMENT PROPOSAL

FEATURES AND BENEFITS OF TECHNOLOGY

A. Waterless Printing

1. Quality - fine line screens, ink density
2. Reduced spoilage, faster makeready
3. Friendly to the Environment

B. Coating

1. Quality - high gloss, rub resistance
2. Production - faster drying/turn around/bindery, less powder
3. Ability to utilize UV and Aqueous coatings

C. Automation Benefits

1. Faster, more accurate Makeready/Automatic Register
2. More Production
3. Better lead time for customers
4. Shorter and more impressive Press Checks
5. Lower cost to produce product

D. Spectrophotometry

1. Consistent color control
2. Ability to read and control Pastel Colors
3. Most accurate method for color/quality control including Gray balance
4. Decrease Makeready time increases accuracy
5. Statistical process control for monitoring and documentation

E. CP-Tronics

1. CP Tronics controls and monitors all press function, performing its task with a degree of precision and reliability achievable only with all-encompassing digital electronics
2. The heart of CP Tronics is a combination of high-performance microcomputers. A dense network of sensors and actuators provide the information and executes the control commands.

HEIDELBERG
USA

G. CP-Data

1. Automatic presetting of the printing presses for systematic reduction of makeready time.
2. Improvement of organization, with the effect of shortening turn-around times.
3. Automatic availability of the production data of a press, largely without having to make manual entries, in order to receive objective information for follow-up calculations of job costs.

H. CPC-4

1. Automatic Digital Register System controlling lateral, circumferential and diagonal adjustments.

HEIDELBERG
USA

**Heidelberg Speedmaster
Eight Color 40" Press
Model CD102A+LXE**

- Computer Print Control 1-03 - centrally operated, fully digitized remote control. Operating console with display for equipment operation and service diagnostics. Remote control for lateral, circumferential and diagonal register. Ink zone and duotor adjustment from the operating console with light pen. Storage cassette and expanded memory.
- CP TRONIC Console provides total integration of press operating system and maintenance diagnostics.
- CPC 4 Register Control - Automatic register by remote control of lateral, circumferential and diagonal register (plate cocking).
- Preset - Automatic setting of the feeder, delivery, sheet size and thickness.
- Printing pressure adjustment motor-controlled via CP TRONIC.
- Automatic sheet arrival control, infeed gripper margin adjustment, infeed gripper height adjustment for different stock thickness via CP TRONIC.
- Non-stop feeder.
- Electro mechanical double sheet detector.
- Electronic side guide detectors.
- Pile carrier plates with ramps (Flush upon request)
- On press pre-loader with track loading.
- Alcolor continuous dampening system including air bars, speed compensating, via CP TRONIC with refrigerated circulators.
- Tri Service Zonal Printing Unit Temperature Control - Maintains proper temperature at each printing unit individually for waterless printing (3 chilling rollers per unit)
- Heidelberg Autoplate including punch, bending unit and chrome plate cylinders.
- Automatic blanket wash-up device (brush) with pressurized system including a two step water and solvent wash via CP TRONIC.

HEIDELBERG
USA

- Automatic ink unit wash-up device with pressurized system via CP TRONIC.
- Automatic impression cylinder wash-up system (brush), a two step water and solvent wash via CP TRONIC.
- Coating Tower with 8' Extended Delivery, UV Preparation w/Shadowless Grippers.
- Non-stop delivery with motorized secondary pile hoist and two delivery boards.
- Voice Intercom between feeder and delivery.
- Sheet decurler (infinitely adjustable).
- Push button sample sheet removal at delivery panel.
- Vacuum sheet cleaner
- Pre Installation Training for operators and engineering departments.
- Grafix Sprayer, CP TRONIC monitoring.
- Ink Agitators
- Four oscillating rollers, per unit.
- Coating Pump and circulator.
- Central Air Supply
- Isolation Transformer
- **Special Warranty for WPC - 18 months Parts and Labor.**
- **5 year Gear Train Warranty.**
- All freight, rigging and installation included (excluding electrical hookup).

\$2,989.130

8/2

HEIDELBERG
USA

Heidelberg Speedmaster Six Color 40" Press Model CD102S+LXE

- Computer Print Control 1-03 - centrally operated, fully digitized remote control. Operating console with display for equipment operation and service diagnostics. Remote control for lateral, circumferential and diagonal register. Ink zone and ductor adjustment from the operating console with light pen. Storage cassette and expanded memory.
- CP TRONIC Console provides total integration of press operating system and maintenance diagnostics.
- CPC 4 Register Control - Automatic register by remote control of lateral, circumferential and diagonal register (plate cocking).
- Preset - Automatic setting of the feeder, delivery, sheet size and thickness.
- Printing pressure adjustment motor-controlled via CP TRONIC.
- Automatic sheet arrival control, infeed gripper margin adjustment, infeed gripper height adjustment for different stock thickness via CP TRONIC.
- Non-stop feeder.
- Electro mechanical double sheet detector.
- Electronic side guide detectors.
- Pile carrier plates with ramps (Flush upon request)
- On press pre-loader with track loading.
- Alcolor continuous dampening system including air bars, speed compensating, via CP TRONIC with refrigerated circulators.
- Tri Service Zonal Printing Unit Temperature Control - Maintains proper temperature at each printing unit individually for waterless printing (3 chilling rollers per unit)
- Heidelberg Autoplate including punch, bending unit and chrome plate cylinders.
- Automatic blanket wash-up device (brush) with pressurized system including a two step water and solvent wash via CP TRONIC.

HEIDELBERG
USA

- Automatic ink unit wash-up device with pressurized system via CP TRONIC.
- Automatic impression cylinder wash-up system (brush), a two step water and solvent wash via CP TRONIC.
- Coating Tower with 8' Extended Delivery, UV Preparation w/Shadowless Grippers.
- Non-stop delivery with motorized secondary pile hoist and two delivery boards.
- Voice Intercom between feeder and delivery.
- Sheet decurler (infinitely adjustable).
- Push button sample sheet removal at delivery panel.
- Vacuum sheet cleaner
- Pre Installation Training for operators and engineering departments.
- Grafix Sprayer, CP TRONIC monitoring.
- Ink Agitators
- Four oscillating rollers, per unit.
- Coating Pump and circulator
- Central Air Supply
- Isolation Transformer
- **Special Warranty for WPC - 18 months Parts and Labor.**
- **5 year Gear Train Warranty.**
- All freight, rigging and installation included (excluding electrical hookup).

6/c
\$2,409,420

HEIDELBERG
USA

**Heidelberg Speedmaster
Four Color 40" Press
Model 102VP**

- Computer Print Control 1-03 - centrally operated, fully digitized remote control. Operating console with display for equipment operation and service diagnostics. Remote control for lateral, circumferential and diagonal register. Ink zone and ductor adjustment from the operating console with light pen. Storage cassette and expanded memory.
- CP TRONIC Console provides total integration of press operating system and maintenance diagnostics.
- CPC 4 Register Control - Automatic register by remote control of lateral, circumferential and diagonal register (plate cocking).
- Preset - Automatic setting of the feeder, delivery, sheet size and thickness.
- Perfector between units 2 & 3.
- Printing pressure adjustment motor-controlled via CP TRONIC.
- Automatic sheet arrival control, infeed gripper margin adjustment, infeed gripper height adjustment for different stock thickness via CP TRONIC.
- Non-stop feeder.
- Electro mechanical double sheet detector.
- Electronic side guide detectors.
- Pile carrier plates with ramps (Flush upon request)
- On press pre-loader with track loading.
- Alcolor continuous dampening system including air bars, speed compensating, via CP TRONIC with refrigerated circulators.
- Tri Service Zonal Printing Unit Temperature Control - Maintains proper temperature at each printing unit individually for waterless printing (3 chilling rollers per unit)
- Heidelberg Autoplate including punch, bending unit and chrome plate cylinders.

HEIDELBERG
USA

- Automatic blanket wash-up device (brush) with pressurized system including a two step water and solvent wash via CP TRONIC.
- Automatic ink unit wash-up device with pressurized system via CP TRONIC.
- Non-stop delivery with motorized secondary pile hoist and two delivery boards.
- Voice Intercom between feeder and delivery.
- Sheet decurler (infinitely adjustable).
- Push button sample sheet removal at delivery panel.
- Vacuum sheet cleaner
- Pre Installation Training for operators and engineering departments.
- Grafix Sprayer, CP TRONIC monitoring.
- Ink Agitators
- Four oscillating rollers, per unit.
- Central Air Supply
- Isolation Transformer
- **Special Warranty for WPC - 18 months Parts and Labor.**
- **5 year Gear Train Warranty.**
- All freight, rigging and installation included (excluding electrical hookup).

4/C
S/N 471440

HEIDELBERG
USA

HEIDELBERG
USA

SUMMARY A

June 7, 1994

216001543
Two (2) 8/C \$ 2,989,130 X 2 = \$ 5,978,260
Models CD 102A+LXE

210461195
Three (3) 6/C \$ 2,409,420 X 2 = \$ 7,228,260
Models CD 102S+LXE

One (1) 4/C \$ 1,471,440 X 1 = \$ 1,471,440
Model 102VP

149,205
Two (2) CPC-2S \$ 171,500 X 2 = \$ 343,000
Spectrophotometric

64424
One (1) CPC-3S \$ 79,800 X 1 = \$ 79,800
Plate Image Reader \$15,100,760

- Including two (2) CPC2S compatible hand held Spectrophotometers
- 6 units of covered Ink Rollers
- 6 units of covered Dampening Rollers

WPC Discount 13% \$ 1,963,098
\$13,137,662

Less Trades \$ 1,500,000

Sales tax not included \$ 11,637,662

EXHIBIT 7

MEMORANDUM

TO: Verry Williamson

DATE: 6/20/94

FROM: Bob Emrick

b6
SUBJECT: Sheetfed Press Testing - Chicago

The following is a schedule and itenerary for our testing of Heidelberg and Komori presses.

Bill Davis will be leaving on wednesday, 6/22 and plans to "drop in" on the Komori people preparing the new Medallion press for our test.

On friday, 6/24 the rest of us are scheduled on a flight to Chicago which leaves at 4:00 pm. (Jesse, Jimmy, Johnny, and myself). * Dave McCalley of Ink Systems will be joining us for all four days of testing.

Attached is an itinerary supplied by Heidelberg. The Komori testing will take place on monday and tuesday, 6/27 - 6/28 at the following address:

Korori America Corp.
5520 Meadowbrook
Industrial Court
Rolling Meadows, IL 60008

(708)-806-9000

David Haier is Komori's point man for these tests.

I believe that Jesse will be returning on Sunday to attend the picnic.

We have sent films for the testing to Heidelberg's facilities for plates to be made and they will be forwarding the films to Chicago where the waterless plates will be made for both Heidelberg and for Komori. This same company (Multiple Images) will also make the conventional plates for Komori.

We have two days of heavy duty testing scheduled at each manufacturer's facility.

Airline tickets, hotel rooms, and rental cars are being provided by Heidelberg.

We will be testing at both sites on Consolidated Reflections 80# stock.

Ink Systems has sent the inks to each of the manufacturers test sites.

I am going over the test plans with Ray Prince and will receive his advice and suggestions to prepare myself for the testing.

All of our own expenses for this project are being charged to the WPC R&D ticket opened for this purpose. (29403)

The testing will be conducted over the two day period as follows:

TEST #	COLORS	DESCRIPTION	INKS	
#1	6/C	GATF GRID	4/C PROCESS - 2 PMS	CONVENTIONAL
#2	6/C	GATF PRINT	4/C PROCESS - 2 PMS	CONVENTIONAL
#3	6/C	GATF PRINT	4/C PROCESS - 2 PMS	WATERLESS
#4	4/C	STOCHASTIC	4/C PROCESS	WATERLESS
#5	4/C	STOCHASTIC	4/C PROCESS	CONVENTIONAL
#6	6/C	GATF GHOST	6 PMS	CONVENTIONAL
#7	1/C	GATF GHOST	1 PMS	WATERLESS
#8	6/C	PILGRIMS	4/C PROCESS - 2 PMS	WATERLESS
#9	6/C	PILGRIMS	4/C PROCESS - 2 PMS	CONVENTIONAL

* ANY OTHER FORMS THAT THE MANUFACTURER MAY WANT TO PUT ON...BOARD STOCKS, STANDARD DEMO IMAGES, ETC., ETC..

TOTAL PLATES FOR ABOVE TESTS: CONVENTIONAL - 28 WATERLESS - 17

I believe we are well prepared and should have conclusive results on which to base our decisions.

Thank you,



Bob Emrick

c.c.: Jesse Williamson
Bill Davis

ITINERARY

Itinerary Prepared For: Williamson Printing Corporation

Bob Emerick Seat: 28B

Departure Information: Friday, June 24, 1994, 4:00 p.m.
American Airlines Flight # 2260

Arrive 6:21 p.m.
Chicago / Ohare
Brown & Boyer have arranged transportation

Hotel: Radisson Suites Hotel
1400 Milwaukee Ave.
Glenview, IL 60025
708/803-9800
Confirmation # 90244

Test Run: Heidelberg USA
Chicago Tech Center
625 Slawin Court
Mt. Prospect, IL 60056
708/390-8900

Saturday, June 25, 8:30 a.m.
continue Sunday, June 26, 8:30 a.m.

Return Information: Tuesday, June 28, 5:00 p.m.
American Airlines Flight # 2245

Arrive 7:24 p.m.
Dallas / Ft. Worth

EXHIBIT 8

MEMORANDUM

To: Johnny Brownlee
Bill Davis
Bob Emrick
Jimmy Meyers
Jesse Williamson

From: Jerry Williamson

Date: 6-29-94

Subject: Press Tests

With respect to the above reference, specifically including the "Chicago Safari," please note the following:

1. Hopefully all of you took "copious notes," pictures, gathered pertinent data, etc.
2. Please prepare a report containing as much detail as possible on this experience, including all of your observations, questions and answers, comparisons and evaluations, etc., while it is fresh on your mind.
3. **"PRESS EVALUATION MATRIX"** - Jesse and I discussed preparing a "MATRIX" so we can compare the presses by comparing all of the various features of each piece of equipment, which requires listing each piece of equipment and those various features that are worthy of consideration, assigning a grade to each feature, and then totalling each grade for an overall comparison.

As you can appreciate we have expended a great deal of time, money and effort on this project, and it is important that we complete it as efficiently and professionally as possible. Therefore, I would appreciate your giving this your immediate attention, and being prepared to discuss just as soon as possible, and no later than Friday, July 1, 1994.

I will ask Dee to set up a time on Friday at everyone's convenience, to review, discuss, and decide.

If you have any questions, please let me know.

Thank you,

Jerry Williamson

JBW:db

EXHIBIT 9

MEMORANDUM

To: Jerry Williamson

From: Jesse Williamson

Date: June 29, 1994

Subject: Press Tests

Jerry:

I received your memo requesting our reports on the presses we tested in Chicago this week. We will all try our hardest to have these reports completed by Friday; however, due to the work that has built up in our absence from the office this week, it is not likely that we will have them to you until next Wednesday, July 6, 1994.

We will try to have these to you as soon as possible.

Thanks,

Jesse

JW:kw

EXHIBIT 10

CONFIDENTIAL

DATE: 7/5/94

TO: Jerry Williamson

FROM: Bob Emrick

SUBJECT: Sheetfed Press Tests

Jerry,

1. We were at the Heidelberg facility testing their press on Saturday, 6/25 and Sunday, 6/26 and at Komori facility on Monday, 6/27 and Tuesday, 6/28.

All of the testing listed in our report as "First Day Testing" and "Second Day Testing" were completed on these two sets of dates at Heidelberg and Komori.

First Day - Second Day for Heidelberg being 6/25 - 6/26

First Day - Second Day for Komori was 6/27 - 6/28.

2. On Wednesday, 6/29 we did stop by MAN to see a "canned demo" on their Roland 700 press. This was a 6/color press but they only had one pressman available and said he could only handle 4/color by himself. Therefore, we were able to see them pull up on two press runs and received a walkthrough demonstration on the press. The press has some impressive features but does not outshine the Heidelberg or Komori and has more complicated register control than the Heidelberg. I personally would not consider MAN to be a contender. Other than possible leverage with the Polyman situation I see no benefit in spending a lot of time on this press.
3. On Wednesday, 6/29 before going to MAN we visited Bradley to see their 8/color Heidelberg. We were escorted by Mr. John Stout of Grafix. Grafix manufactured the infra-red drying system on that press. We not only wanted to see this system but also were able to see the installation which included a raised platform (the press was raised 18" off the floor to enable them to produce taller loads), UV interdeck, and extended catwalk. The crew seemed to like working on the Heidelberg and we learned that they ran UV inks approx. 51% of the time. They indicated that it took about 4 hours to set the press up to go back to conventional inks after running UV.
4. While the report you received on Friday was slightly rushed, we feel it is reasonably complete in listing the important attributes that we considered in each press. Looking over our original matrix that was put together with the help of Dan Smith we have covered everything but "Plate Cocking", Heidelberg and Komori appear to be equal. The first pressman at Komori indicated that once you have moved the plate to the limits of the cocking device, it would be very difficult to twist the plate for further adjustment while Heidelberg indicated that they could do so fairly simply.

5. We have all agreed to not indicate to any manufacturer "where they stand" so that we can work them for the best possible financial deal. I have been approached by Heidelberg on this and I simply told them that they are still in the running, but would have to come up with better financial incentive because all participants were still being considered. * Komori has not contacted me but Bill Davis said that Neil Hammel had called and said they realized that they hadn't performed well in the testing.
6. We realize the importance of this decision and will continue to give it all of our attention and "due diligence". These days of testing were very intense and thorough. I believe that we put both manufacturers through two days that they will remember. I believe that when we indicate that Heidelberg is the suggested choice that we have not come to this decision lightly but through extensive testing and thought. I understand that Komori's press was just installed but even if everthing had gone smoothly at Komroi we see enough advantage to Heidelberg's features that Heidelberg would still be the way to go.
7. Floor plan layout plans are being worked on but we do need more input as to how many presses we will be installing and when. At the SMT meeting, it sounded like we may start with 2 8/color presses. I have several ideas that would make for a "first class" pressroom but would involve some radical change in both sheetfed areas and in Prep. The ideas include turning the presses 180 degrees to deliver towards the Sheetfed offices with a walkway behind the consoles.

Today, I have received the pull sheets from both Heidelberg and Komori. As planned, I will label one sample sheet for each test from each press and make a legend to identify each sheet. After looking them over myself, I will then have them analized by both Gary Doughty and by Ray Prince for print quality.

At this point in time, if both manufacturers offered exactly the same or near the same financial proposals I would recommend Heidelberg with out question.

If Komori makes an offer that is remarkably more attractive, I would think we should consider it carefully. I am convinced that the Heidelberg press is superior to Komori.

Thank you,

Bob Emrick

c.c.: Johnny Brownlee
Bill Davis
Jimmy Myers
Jesse Williamson

EXHIBIT 11



Williamson Printing Corporation

6700 Denton Drive • Dallas, Texas 75235 • (214) 904-2100

July 7, 1994

Mr. Bob Boyer
Regional Manager
Heidelberg USA
1801 Royal Lane, Suite 1012
Dallas, TX 75229

Re: WPC LETTER OF INTENT

Dear Bob:

Pursuant to our several conversations, discussions, proposals and negotiations, this letter will serve as Williamson Printing Corporation's (WPC) letter of intent to purchase printing machinery from your company, Heidelberg USA (HUSA).

It is our present intent to order two 8 color presses, three 6 color presses, and one 4 color perfecting press, all of which are to be the latest 40" CD model, fully equipped, as we have discussed and as was demonstrated in your Chicago facilities during the latter part of June of this year.

As we have discussed, HUSA is to deliver to WPC the first 8 color press on or before October 1, 1994, and the second press on or before November 1, 1994. All of the details, including the schedule of deliveries and installations, shall be determined at a later date by mutual agreement between our companies.

This entire transaction is contingent upon our reaching a mutual agreement on all of the various details involved, and upon our obtaining satisfactory pricing and financing.

Although this letter is a firm statement of our intent, it is not a firm commitment to obligate WPC, and it is not binding on WPC in any respect.

Additionally, you have agreed that you and HUSA shall hold this letter of intent in strict confidence, and should you or anyone with HUSA violate this strict confidentiality agreement, you will be held strictly accountable.

page 1 of 2

Williamson Printing Corporation

July 7, 1994

page 2 of 2

Re: WPC LETTER OF INTENT

All of us here at WPC are looking forward to working with you and your fine organization, and if you have any questions, please do not hesitate to let me know.

Very truly yours,

Jerry Williamson
Jerry Williamson

Chairman of the Board

JBW:db

cc: Bill Davis
Woody Dixon
Bob Emrick
Jesse Williamson

EXHIBIT 12

HEIDELBERG

USA

Southwest Region

Heidelberg USA, Inc.
1801 Royal Lane
Suite 1012
Dallas, TX 75229
Phone 214-506-7000, Fax 214-506-0476

To: Jerry Williamson
Jesse Williamson
Bill Davis
Williamson Printing Corporation

From: Bob Boyer

Date: July 6, 1994

After arrival into the Frankfurt airport, early Sunday morning, follow signs to Baggage Claim and Passport Control. Once you have reclaimed your baggage and cleared customs, exit baggage claim and follow signs to the "Meeting Point" (signs will designate "Meeting Point"). Whoever arrives first should wait in that area for the later arrivals. Heidelberg has arranged a Driver who will be holding a sign, indicating transportation.

We will then be driven by van to the city of Heidelberg, approximately 45 minutes. Hotel arrangements as follows; for Sunday, checking out on Monday.

Renaissance Hotel
Van Gerow Strasse 16
69115 Heidelberg
Phone 011-496221-90800
FAX 011-496221-22977

Sightseeing Sunday afternoon, 2:00 p.m., to include the city of Heidelberg and Heidelberg Castle. You may want to rest a couple of hours before sightseeing, because of the seven hour time difference. Dinner in the evening, approximately 6:00 p.m., at a restaurant in the city; to be determined.

Monday morning, 7:30 a.m. breakfast. At 8:15 a.m., we will be met by our host and tour guide, Mr. Reginald Rettig, who will conduct a tour of Corporate Headquarters. We have also arranged a Press Demonstration in our Showroom facility. We will then visit our Weisloch assembly plant till around 12:00 p.m.

Returning back to Heidelberg for lunch with Managing Director, Mr. Hans Harrman, for information on future technology and open discussions. After our visit, we will take you to the train station, for your trip to Munich.

We appreciate your time and the opportunity to once again show the resources and strength of our organization. We hope this will confirm that Heidelberg should be your partner of choice.



Heidelberg Offset Presses • Polar Cutters & Paper Handling Systems • Stahl/Baum Folders & Stitchers

ITINERARY FOR
WILLIAMSON PRINTING CORPORATION

Jesse Williamson / Bill Davis

July 9 11:59 a.m. depart DFW - Delta flight # 286
Arrive John Kennedy 4:30 p.m.
6:05 p.m. depart NY - Delta flight # 72
Arrive Frankfurt 7:50 a.m., Sunday July 10th

July 11 Leave via train from Heidelberg at 6:00 p.m.
Arrive Munich 9:10 p.m.

July 15 Leave Munich 1:20 p.m. - Delta flight # 141
Arrive Cincinnati 5:10 p.m.
Leave Cincinnati 6:55 p.m. - Delta flight # 1912
Arrive DFW 8:08 p.m.

Jerry Williamson

July 9 2:40 p.m. leave DFW - American Airlines #70
Arrive Frankfurt 7:30 p.m.

July 11 Leave via train from Heidelberg at 6:00 p.m.
Arrive Munich 9:10 p.m.

July 15 Leave Munich 12:35 p.m. - American Airlines # 111
Arrive Chicago 3:35 p.m.
Leave Chicago 5:00 p.m. - American Airlines # 2245
Arrive DFW 7:24 p.m.

Bob Boyer

July 9 2:40 p.m. leave DFW - American Airlines #70
Arrive Frankfurt 7:30 p.m.

July 12 10:30 a.m. leave Frankfurt - American Airlines flight # 71
Arrive DFW 5:20 p.m.

HEIDELBERG
USA

(16)

Week's Agenda Williamson Printing
12. - 15. July 1994

Tuesday

9.00 a.m. Welcome and Orientation
Testing, Discussion Program Explanation
Lunch at MR Casino

4.00 p.m. Summary and Review

7.00 p.m. Dinner at Fuggerkeller (Drei Mohren)

Wednesday

9.00 a.m. Discussion of Results, Next Tests
Further Testing and Demonstration
Lunch at MR Casino

4.00 p.m. Summary and Review

7.00 p.m. Dinner at Augsburger Hof

Thursday

This day is free for touring and/or shopping.
MR can suggest tours and organize transportation.

Friday

7.00 a.m. Breakfast
Check out

9.00 a.m. Meeting Dr. Brütt, Jerry Williamson

10.00 a.m. Departure to Munich Airport

Agenda: 12 July 1994

Attendees:

Jerry Williamson
Jesse Williamson
Bill Davis

Erwin Lusar
Roman Herald
Paul Steidle
Joe Abbott
Leif Reslow

9.00 a.m. Welcome, Overview

10.00 a.m. Review of Testing Methodology

10.30 a.m. Testing of MR Materials
AA-Form
Ghost Form (Plate Change)

11.45 a.m. Review of Test Forms (Print Results)

12.15 a.m. Lunch

1.30 p.m. Testing of US Materials, Hicky Picker Roller
AA Form
Ghost Form

3.00 p.m. Discussion of Results

4.00 p.m. Program by MRU

5.30 p.m. Adjourn

7.00 p.m. Dinner at Fuggerkeller (Drei Mohren)

Leif: Similarities & differences

② Info. From pos -

Joe: Press w/ European Inks -
Compare w/ TAK sys -
AA Job - (H.P. Blueunkt))

② Conditions of Press -
630 ~~to~~ 578 cm - diff -
~~24 1/2" to 25 3/4" (U.S. to Brazil)~~
dryer + inker + separator.
Inker sealer, motor
Chill + roller ✓ ✓
sheet fed w/ drop board line
no sheeter -

Dryer - MEG - 30' long
(ours 32 1/2")

web cutter - after last
plate unit -

(drawing - compare)
Ducter, metering ~~contour~~
U.S. / Europe

locking - plate ✓ - blanket -

rollers same size
except 3rd from -
smaller

(45 presses in Europe -
since 1990)

Agenda: 13 July 1994

Attendees:

Jerry Williamson

Jesse Williamson

Bill Davis

Erwin Lusar

Roman Herald

Paul Steidle

Joe Abbott (a.m.)

Leif Reslow

9.00 a.m. **Resume Discussions**

10.00 a.m. **Testing and Demonstration**

12.00 a.m. **Lunch**

1.30 p.m. **Discussion of Program**

2.30 p.m. **Other Tests, if necessary**

4.30 p.m. **Adjourn**

7.00 p.m. **Dinner at Augsburger Hof**

EXHIBIT 13



Williamson Printing Corporation

6700 Denton Drive • Dallas, Texas 75235 • (214) 904-2100

August 1, 1994

Mr. Bob Boyer
Regional Manager
Heidelberg USA, Inc.
1801 Royal Lane, Suite 1012
Dallas, TX 75229

Re: Sheetfed Press Transaction
WPC and Heidelberg USA

Dear Bob:

Pursuant to our several conversations, negotiations and discussions, I believe we have a "deal." This transaction between Heidelberg USA (Heidelberg) and Williamson Printing Corporation (WPC) involves the purchase of five (5) Heidelberg presses described fully in the two (2) Conditional Sales Contracts and Security Agreements, and their attachments, and this letter is a part of those contracts and our total agreement for all purposes.

Enclosed please find the two (2) Conditional Sales Contracts and Schedules "A" describing the five (5) presses, as well as other terms and conditions, and the Bailment documents covering the paper cutter and folder, all of which have been signed in behalf of WPC.

In addition to all of the terms and conditions contained on the enclosed documents, these contracts and our agreement are contingent on the following additional conditions:

1. WPC must obtain financing satisfactory to WPC, including all installation costs, such as site preparation.
2. It is agreed and understood that we have signed these Conditional Sales Contracts, calling for three (3) presses ordered on the first one and two (2) presses ordered on the second one, primarily to expedite deliveries, but if the six (6) color triple tower, double coater press, that is already in the Heidelberg "pipeline," becomes available sooner, WPC will have the option of substituting it for the first eight (8) color press, currently listed on the first Conditional Sales Contract. Also, WPC has the option to change its order for the first eight (8) color press from the first contract to the second contract.

page 1 of 4

EXHIBIT 13

August 1, 1994

page 2 of 4

Re: Sheetfed Press Transaction
WPC and Heidelberg USA

3. All prices as quoted by Heidelberg on its contracts, shall remain firm and not be increased for any reason, and all of the final values established for the WPC trade-in presses, shall remain firm and not be decreased for any reason throughout the whole period of time involved in this transaction.
4. All of the Heidelberg presses involved in this transaction must perform equal to, or superior to, the Heidelberg press performance achieved during the Heidelberg press test in Chicago June 25 and 26, 1994, as a "condition precedent" to WPC "officially accepting" each press.
5. The seven (7) color press and the first six (6) color press shall be installed at WPC on a Bailment arrangement so that the actual titles, or consideration between the buyer and seller, will not pass until after January 1, 1995, and only after WPC has "officially accepted" the presses pursuant to paragraph (4.) above.
6. The paper cutter and stahl folder will be installed at WPC on a Bailment arrangement for 90 days at no cost, with an option to purchase at a set price, or return to Heidelberg, at the option of WPC.
7. Heidelberg grants an option to WPC to trade-in the seven (7) color and first six (6) color, and any other of the "pre-DRUPA" presses for "DRUPA" presses at any time over a two (2) year period beginning from the date of the "official acceptance" of each press by WPC. Heidelberg guarantees a trade-in value of fair-market value, or no less than 85% of the original purchase price of the "pre-DRUPA" presses, whichever is greater. The "DRUPA" presses shall have the same purchase prices as the prices accepted by WPC for the "pre-DRUPA" presses, including all discounts.

According to the Heidelberg representatives, the "DRUPA" press is the name given to the new Heidelberg 40" Speed Master CD Press that is to be introduced at the DRUPA show in Dusseldorf, Germany around May of 1995. This new press has a faster rated speed, heavier side frames, and other new features. This "DRUPA" press has been "field tested" in four (4) different printing plants in Germany for approximately one (1) year.

August 1, 1994

page 3 of 4

Re: Sheetfed Press Transaction
WPC and Heidelberg USA

8. Heidelberg extends a "full warranty," covering all parts and labor, for eighteen (18) months from the date of each press acceptance by WPC on all of the Heidelberg presses sold to WPC.
9. Heidelberg grants to WPC an option to cancel its order, or orders, for any additional presses after receiving the first two (2) presses, should WPC not be satisfied, and at WPC's sole discretion.
10. Heidelberg grants WPC an option to change the press order, or orders, for the additional presses ordered after the receipt of the first two (2) presses, reasonable time of notification to be established by mutual consent.
11. Heidelberg agrees to pay for all of the expenses of WPC for an on-site demonstration of the six (6) color press with the triple tower, double coater, which is currently in operation at Interglobe, a printing company in Montreal, Canada, should WPC so require, and its order/purchase for this press is contingent on a successful demonstration.
12. Heidelberg agrees to pay for all of the expenses of WPC for an on-site demonstration of the eight (8) color press with coater, at a location of Heidelberg's choosing, should WPC so require, and its order/purchase for this press is contingent on a successful demonstration.
13. Heidelberg agrees to pay for all of the expenses of WPC for a "press test" at the Heidelberg factory of the first eight (8) color press and the six (6) color press with triple tower, double coater, designated to be shipped to WPC, should WPC so require, and its order/purchase of these presses are contingent on successful demonstrations.
14. Heidelberg agrees to pay for all of the expenses for "fully training" all press crews and engineering and maintenance personnel.
15. Heidelberg agrees to pass through to WPC any savings, at its net cost, that result from changes made to the O.E.M. auxiliary equipment, should there be any changes from the specifications covering such under the original proposals/quotations/Conditional Sales Contracts.

Williamson Printing Corporation

August 1, 1994

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Re: Sheetfed Press Transaction
WPC and Heidelberg USA

16. Please note our handwritten alterations to the applicable Conditional Sales Contracts and Security Agreements covering this transaction, primarily deleting certain terms and conditions and referencing the inclusion of this cover letter as part of those contracts and our total agreement for all purposes.

Bob, I believe the above and enclosed should cover our agreement and understanding concerning this transaction, but, if you can think of anything additional, or anything that we should alter, please let me know at your earliest convenience.

Speaking on behalf of all of WPC, we very much look forward to our establishing a long and mutually beneficial business alliance and partnership with your outstanding company.

It is appropriate that I take this opportunity to thank you and all of your Heidelberg colleagues for their professionalism, graciousness, courtesies, and, not in the least your hospitality.

If you have any questions, please do not hesitate to give me a call.

Very truly yours,

Jerry Williamson
Jerry Williamson

Chairman of the Board

JBW:db

enclosures

cc: Bill Davis
Woody Dixon
Bob Enrick
Jesse Williamson